

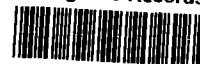


UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

EPA Region 5 Records Ctr.



377124

NOV 24 2010

REPLY TO THE ATTENTION OF:

GENERAL NOTICE LETTER
URGENT LEGAL MATTER
PROMPT REPLY NECESSARY
CERTIFIED MAIL; RETURN RECEIPT REQUESTED

David B. Struhs
Vice President of Environmental Affairs
The International Paper Company
6400 Poplar Avenue
Memphis, Tennessee 38197

Re: General Notice of Potential Liability for the Allied Paper Inc./Portage
Creek/Kalamazoo River Site in Allegan and Kalamazoo Counties, Michigan

Dear Mr. Struhs:

Under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), commonly known as the federal "Superfund" law, the United States Environmental Protection Agency is responsible for responding to the release or threat of release of hazardous substances, pollutants or contaminants into the environment. EPA has documented the release or threat of release of hazardous substances, pollutants and contaminants into the environment at the Allied Paper, Inc./Portage Creek/Kalamazoo River Superfund Site (the Site). Based on information presently available to EPA, EPA has determined that International Paper Company (International Paper) may be responsible under CERCLA for cleanup of the Site as well as response costs EPA has already incurred at the Site.

Explanation of Potential Liability

Under CERCLA, specifically Sections 106(a) and 107(a), potentially responsible parties (PRPs) may be required to perform cleanup actions to protect the public health, welfare, or the environment. Unless the PRP can show divisibility or any of the statutory defenses, PRPs may also be responsible for costs incurred by EPA in cleaning up a site and associated costs incurred in cleaning up a site, including investigation, planning, and enforcement.

PRPs include current and former owners and operators of a site, as well as persons who accepted hazardous substances for transport and selected the site to which the hazardous substances were delivered. Based on information collected, EPA believes that International Paper may be liable under Section 107 of CERCLA with respect to the Allied Paper, Inc./Portage

Creek/Kalamazoo River Superfund Site as a past owner and/or operator of a portion of the Site at the time PCBs were released into the environment. Specifically, EPA has reason to believe that International Paper is a corporate successor to St. Regis Paper Company and Bryant Paper Company, which were owners and operators of paper mills that disposed of PCBs and PCB-containing material at the Site.

To date EPA, the State of Michigan and previously-identified PRPs have taken several response actions at the Site. Below is a brief description of some of the major actions taken at the Site; a detailed list of major activities at the Site is available at:

<http://cfpub.epa.gov/supercpad/SiteProfiles/index.cfm?fuseaction=second.CleanupActs&id=0502325>

- From 1985 through 1989 a Preliminary Assessment (PA) and Site Investigation (SI) was conducted in order to gain a basic understanding of any risks posed to human health and/or the environment by releases or threatened releases from the Site.
- Removal actions at various areas of the Site began in 1989 and continue, with the most recent removal action completed in 2009. The removal actions reduce immediate threat to the environment or human health posed by the Site.
- Remedial Investigations (RIs) for certain operable units at the Site have been completed, but additional RIs are ongoing or expected for other portions of the Site. The RI identifies the Site characteristics and defines the nature and extent of soil, air, surface water, and groundwater contamination at the Site and the risks posed by the Site.
- A Feasibility Study (FS) to evaluate different cleanup options for certain operable units at the Site has been completed, but additional FSs are ongoing or expected for other portions of the Site.
- Remedial Design and Remedial Action (RD/RA) to design and implement the EPA-approved cleanup action for the Site underway for three of the operable units at the Site.

EPA anticipates that future remedial actions will be necessary at the Site. Accordingly, EPA may issue special notice letters to you and other PRPs for future RI/FS and RD/RA negotiations.

Information to Assist You

EPA has established an Administrative Record that contains documents that serve as the basis for EPA's selection of a cleanup action for many of the operable units at the Site. The

Administrative Record for each of the operable units where a remedy has been selected is located at the Superfund Records Center, EPA Region 5, 77 West Jackson Boulevard, Chicago, Illinois 60604. The Administrative Record for each operable unit of the Site is available to you and the public for inspection and comment.

EPA encourages you to communicate with the other PRPs at the Site. To assist you in your efforts, I have attached a list of names and addresses of the PRPs. I have also attached information about the cleanup progress at the various operable units at this Site.

Resources and Information for Small Businesses

On January 11, 2002, President Bush signed into law the Superfund Small Business Liability Relief and Brownfields Revitalization Act. This Act contains several exemptions and defenses to CERCLA liability, which we suggest that all parties evaluate. You may obtain a copy of the law and EPA guidance documents via the Internet at <http://www.epa.gov/swerosps/bf/sblrbra.htm> and <http://cfpub.epa.gov/compliance/resources/policies/cleanup/superfund>.

EPA has created a number of resources for small businesses, such as the National Compliance Assistance Clearinghouse and the Compliance Assistance Center. More information about each of these resources is available at <http://www.epa.gov>. In addition, the EPA Small Business Ombudsman may be contacted at <http://www.epa.gov/sbo>.

Responding to this General Notice Letter

As a potentially responsible party, you should notify EPA in writing within ten (10) business days of receipt of this letter of your willingness to perform or finance cleanup activities related to this Site and to reimburse EPA for its costs. Your response should be sent to:

James Saric
EPA - Region 5
Mail Code SR-6J
77 West Jackson Boulevard
Chicago, IL 60604-3590

Your response should indicate the appropriate name, address, and telephone number for further contact with you. If you are already involved in discussions with State or local authorities or involved in a lawsuit regarding this facility, you may continue such activities as you see fit. This letter is not intended to advise you or direct you presently to restrict or discontinue any such activities already underway; however, you are advised to report the status of those discussions or

actions in your response to this letter and to provide a copy of your response to any other parties involved in those discussions or actions.

If you need further information regarding this letter, you may contact Nicole Wood-Chi, Associate Regional Counsel, in the Region 5 Office of Regional Counsel, at (312) 886-0664.

Due to the nature of the contamination at this Site and the attendant legal ramifications, EPA strongly encourages you to submit a written response within the time frame specified herein. We hope you will give this matter your immediate attention.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Wendy L. Carney". The signature is fluid and cursive, with the first name "Wendy" being more prominent than the last name "Carney".

Wendy L. Carney, Chief
Remedial Response Branch #1
Superfund Division

LIST OF PRPs SENT GENERAL NOTICE LETTER

The National Cash Register Company
3097 Satellite Boulevard
Duluth, Georgia 30096-1242

The International Paper Company
6400 Poplar Ave.
Memphis, Tennessee 38197

MeadWestvaco
501 South 5th Street
Richmond, Virginia 23219-0501

Consumers Energy Company
One Energy Plaza
Jackson, Michigan 49201

PRPs previously sent general notice letters and currently working on the Site

Weyerhaeuser Company
P.O. Box 9777
Federal Way, Washington 98063-9777

Georgia-Pacific LLC
133 Peachtree Street, N.E.
Atlanta, Georgia 30303



[Http://www.epa.gov/region5superfund/npl/michigan/MID006007306.htm](http://www.epa.gov/region5superfund/npl/michigan/MID006007306.htm)
Last Updated On Wednesday, November 03, 2010

Region 5 Superfund (SF)

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ALLIED PAPER, INC./PORTAGE CREEK/KALAMAZOO RIVER

EPA ID# MID006007306

Last Updated: July, 2010

U.S. EPA REGION 5
KALAMAZOO COUNTY
KALAMAZOO

Congressional District # 06

Site Description

The Allied Paper, Inc./Portage Creek/Kalamazoo River Superfund site includes five disposal areas, five paper mill properties, an approximately 80-mile stretch of the Kalamazoo River from Morrow Dam to Lake Michigan, and a three-mile stretch of Portage Creek.

At this time, the site is divided into five cleanup projects known as operable units (OUs):

- OU #1, Allied Paper Property/Bryant Mill Pond Area;
- OU #2, Willow Boulevard and A-Site Landfill;
- OU #3, King Highway Landfill;
- OU #4, 12th Street Landfill; and
- OU #5, the Portage Creek and Kalamazoo River sediments.

The primary site contaminant is polychlorinated biphenyls (PCBs), a hazardous substance and probable human carcinogen. PCBs were introduced to Portage Creek and the Kalamazoo River through past discharges and disposal of PCB-contaminated paper residuals by the paper industry. The five disposal areas are situated on the river banks and contain millions of cubic yards of PCB-contaminated waste. It has been estimated that the river sediments contain more than 120,000 pounds of PCBs. The contaminated sediments have largely been deposited in four impoundment areas.

EPA proposed the site to the National Priorities List (NPL) in May 1989 and finalized the site on the NPL in August 1990.

In February 2007 two Administrative Orders on Consent (AOCs) were signed by both the United States Environmental Protection Agency (EPA) and Millennium Holdings, LLC and Georgia-Pacific, LLC (collectively known as the Kalamazoo River Study Group (KRSG)). One AOC requires the KRSG to conduct a supplemental remedial investigation/feasibility study (RI/FS) for the Portage Creek and Kalamazoo River sediments, and the other called for a time-critical removal action (TCRA) of sediments in a portion of the Kalamazoo River near Plainwell, MI. (Additional information is provided below in the "Cleanup Progress" section.) EPA is currently the lead regulatory agency on this project and is working closely with the Michigan Department of Natural Resources and Environment (MDNRE, formerly the Michigan Department of Environmental Quality or MDEQ) to oversee the cleanup activities.

Act, sediments containing PCB concentrations greater than 50 ppm were disposed at Environmental Quality Co.'s Wayne Disposal Landfill in Belleville, Michigan. Sediments with concentrations less than this, which are considered non-hazardous waste and represent 80 percent of the waste material, were disposed at Allied Waste's C and C Landfill near Marshall, MI, and its Ottawa Farms Landfill near Coopersville, MI. The estimated cost of this project was \$30 million. This project also rerouted the Kalamazoo River to its original channel and removed the dam near Plainwell. The Kalamazoo River is now free-flowing from Kalamazoo to Otsego City, MI.

In June 2009, Georgia-Pacific LLC (GP) and EPA entered into a legal agreement committing GP to conduct a time-critical removal action in the Plainwell #2 Dam area. The cleanup began in August 2009 approximately three miles upstream of the recently-completed Plainwell Dam cleanup. This Plainwell #2 removal project includes a two-mile stretch of the Kalamazoo River. During the 2009 construction season, GP removed contaminated soil along the north side of the Kalamazoo River. Approximately 4,900 linear feet of riverbank was cleared, excavated and restored, with approximately 4,725 cubic yards of soil and debris disposed off-site at the Allied Waste C&C Landfill in Marshall, MI, and at Ottawa County Farms Landfill in Coopersville, MI. All planned excavation activities were completed on the north side of the river in 2009. Cleanup activities along the south side of the Kalamazoo River are anticipated to be completed by the end of 2010. This removal action will remove 90 percent of the PCB-contaminated soil from the area at a cost of about \$10 million.

OPERABLE UNIT 1: ALLIED LANDFILL

The Remedial Investigation Report for the Allied Site developed by MDEQ was finalized and approved by EPA in March 2008. A groundwater investigation to determine the impacts, if any, from OU #1 was completed in the summer of 2009. The groundwater investigation confirmed the conclusions in the RI report that groundwater from the Allied Site is flowing toward Portage Creek. In October 2009, Millennium Holdings submitted to EPA the draft Feasibility Study Report which examined a range of cleanup alternatives. As a result of the April 23, 2010, Lyondell bankruptcy settlement, MMHLC ceased work at OU 1 and approximately \$50 Million was placed in a trust to pay for the remedy at OU 1. EPA has taken over the lead for work at the Allied Landfill. EPA anticipates completing the Feasibility Study Report in August 2010 and anticipates presenting to the public a proposed cleanup plan for the Allied Site in early 2011.

OPERABLE UNIT 2: WILLOW BOULEVARD AND A-SITE LANDFILL

The Willow Blvd/A-Site Landfill OU #2 was under MDEQ control through completion of the RI/FS Report in 2006. EPA completed a Record of Decision for the closure of the landfill in 2006. In September 2009, the legal settlement between EPA and Georgia Pacific for design and cleanup at the Willow Boulevard/A-Site Landfill was approved by a federal District Court. Georgia-Pacific will consolidate waste materials, construct a permanent landfill cap and install a ground water monitoring system. Landfill design work is anticipated to be completed in 2010 with construction of the landfill cap and ground water system to begin in 2011.

OPERABLE UNIT 3: KING HIGHWAY LANDFILL

Cap construction at the King Highway Landfill (OU #3) was completed in fall 2001. In summer 2002, the cap was seeded for vegetative growth. In the fall of 2007, a gas collection trench was constructed at the landfill. The King Highway Landfill remains under MDNRE control and the remedy is currently near completion.

Preliminary work to remove PCB-contaminated sediment from the banks of the Plainwell Mill began in the fall of 2007 and was completed in March 2008. Approximately 5,000 cubic yards of material was removed. The first phase of the Remedial Investigation, a cursory groundwater investigation, was completed in December 2008. Currently, Weyerhaeuser is conducting Phase 2 of the site investigation at the Plainwell Mill which is expected to be completed by the end of 2010.

MILLENNIUM BANKRUPTCY

On January 6, 2009, Lyondell Chemical Company and 79 affiliated debtors filed for bankruptcy under Chapter 11 reorganization. One of the debtors is Millennium Holdings, LLC, one of the PRPs at the Kalamazoo River site. On April 23, 2010, the US Bankruptcy Court approved Lyondell's reorganization plan. Millennium Holdings ceased all work at the site. Part of the settlement included a \$50M trust being established for cleanup of OU 1 and a \$50M cash settlement to be used for cleanup of the entire Site. Georgia-Pacific is addressing its obligations to complete the supplemental RI/FS according to the 2007 AOC. All work on the project under the two AOCs signed with EPA in 2007 is proceeding according to schedule. EPA is currently working with Georgia-Pacific, MDNRE, and other stakeholders to ensure that the cleanup of the Kalamazoo River site continues.

Contacts

Remedial Project Manager, U.S. EPA
Jim Saric (saric.james@epa.gov)
(312) 886-0992

Community Involvement Coordinator, U.S. EPA
Don De Blasio
(312) 886-9749

Aliases

ALLIED CORP KALAMAZOO PLT
ALLIED PAPER/PORTAGE CREEK/KALAMAZOO RIV
PORTAGE CREEK
ALLIED PAPER
ALLIED PAPER/PORTAGE CK/KALAMAZOO RIVER

Site Profile Information

This Profile Provides You With Information On EPA's Cleanup Progress At This Superfund Site.